

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 373

**PRINTER NO.** 1287

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

February 15, 2017

**PRIME SPONSOR**

Senator Eichelberger

**DESCRIPTION AND PURPOSE OF BILL**

Senate Bill 373 amends section 1202 of the Insurance Company Law of 1921 to allow for direct payment for dental services to a provider.

SB 373 allows an insured to authorize payment of dental benefits directly to the provider of the dental services. Insurance contracts issued 120 days after the effective date of this act may not prohibit, and claim forms issued after that date must provide an option for, the payment of benefits directly to the specified provider of the dental service.

The bill allows insurers to require written attestation of the assignment of the payment.

Payment to the provider from the insurer may not be more than the amount the insurer would otherwise have paid without the assignment of payment. The legislation requires the dental claim form to clearly and conspicuously state whether the provider will bill the patient for any balance above the direct payment assigned to the provider. The insured may be required to pay any applicable copayments, coinsurances or deductibles at the time of service. However, the provider shall not require the insured to pay any other amount above the direct payment assigned to the provider at the point of service.

SB 373 requires the Legislative Budget and Finance Committee ("LBFC") to conduct a study to examine the impacts associated with the direct reimbursement of nonparticipating providers by health insurance carriers under a valid assignment of benefits. The legislation requires LBFC to issue a report to the chairmen and minority chairmen of the House Insurance Committee and the Senate Banking and Insurance Committee no more than 36 months after the effective date of this subsection.

This act shall take effect in 60 days.

**FISCAL IMPACT:**

SB 373 will have no fiscal impact to the Commonwealth. Costs incurred by the Legislative Budget and Finance Committee to conduct the study and evaluation of the impacts associated with the direct reimbursement of nonparticipating providers are able to be absorbed within the agency's existing fiscal resources.